

Trading Plan Outline

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📖 What's the point of a trading plan?

When I first started trading, I thought it was absolutely useless. But I sure was wrong.

┆ "I know what my strategy is, I don't need to write anything down."

If you haven't already, you'll come to learn that the more you systemize your trading, the better it will be. So while we may have our trading rules in our head, when it comes down to the actual trading, it can be easy to get *flexible* with these rules.

Drop down to a lower timeframe, trade this news event, close a trade early... There's countless things we can do that go against our trading rules.

And all this leads to is **unnecessary losses and a lack of discipline**.

I've been there, and I'm sure you have to.

So that's why we have a trading plan. This is my trading plan, and it doesn't have to be yours. But it may help you build a framework for what your trading plan should include, or perhaps some general holes in your trading strategy; some things that you hadn't thought of before.

So no matter how you decide to use it, I hope that it solidifies your trading and gets you thinking objectively, in terms of systems, and away from the emotional rollercoaster that trading can often be.

To many pips,

Matt 💵

What are the confluences that we can use to consider taking a trade?

1. Trendlines
2. Moving Averages
3. Fibonacci Levels
4. Key Levels
5. Round/Psychological Levels
6. Connected Pairs Aligning (EA & GA, EN & GN, etc)

What's required to take a trade?

- 3 confluences on the daily
- 2 4h confluences equals 1 daily confluence.

Minimum RR that's required to take a trade?

1:1.5

How much do we risk per trade?

- **MAX** 0.5% on live accounts.
- 1% on the first trade of challenge accounts. We then increase or decrease accordingly.

How do we enter a trade?

We must ALWAYS enter using a pending order.

How do we place our pending orders?

If the confluences are separated, we either split our orders, or choose one area to enter and adjust our stop loss accordingly.

How does the news impact our trading?

- We do **NOT** fear the news. The faster the market hits our price, the better.
- The only news that we cancel a trade for is **NFP** and **central bank news/data**.

When do we cancel a trade?

Slightly discretionary, but remember:

We need a significant test to achieve a significant move. Don't look on the 1h chart to see if an area has been tested.

We can cancel a pending order when:

1. See news section above
2. We came *sufficiently* close to hitting the area and have moved *significantly* from the pending.

How do we set our profit targets?

- Profit targets are set slightly before significant confluences.
- For day trades, TP1 will always be 50% of position at 30 pips.

How do we set our stop loss?

- Stop loss must be placed below (or above if it's a short) all confluences, with sufficient room to breathe.
- Ask yourself, if price hits your stop level, can you live with it? Will you be able to move on, or will you tell yourself, "I should have given it more room"?